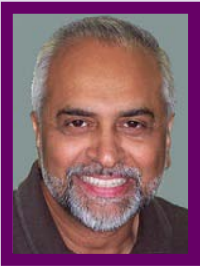


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Ashok Dhillon has 40 years of front-line business experience in Canada and International markets. Mr. Dhillon's extensive experience in securing and negotiating multi-hundred million and billion dollar mandates in power project development, gives him in-depth knowledge and intuitive insights into macro and micro, national and international, geo-political and economic realities and trends. He has been invited to speak on international business at various forums, including as an expert witness for the Standing Senate Committee, Government of Canada, on "The Rise of Russia, China and India".

Corruption and Scandals – In Canada?!



Charbonneau Commission has found accounts of collusion and corruption

Canada consistently ranks as one of the best countries to live in, always among the top ten from a 'Quality of Life' perspective, and always as one of the least corrupt in the World. Transparency International in 2012 ranked it 9th amongst 176 countries (*lowest number being least corrupt - Denmark took that honour - and higher numbers denoting the more corrupt*). To give some points of reference - Germany is ranked 13th; United Kingdom and Japan share 17th place; the United States is ranked as 19th; most of Europe sits between low 20s to low 30s; Middle East - from Qatar at 27th to Iraq at 169th; Latin and South America - from Chile and Uruguay at 20th to Venezuela at 165th; China is 80th; India is ranked 94th alongside Greece; and Afghanistan-North Korea-Somalia are at 174th. By those numbers Canada is comparatively squeaky clean. But, being populated by humans (*from all over the World no less*) Canada has its share of crime, corruption and political scandals, just a lot less than most countries.

Yet, of late some very high profile corruption cases and political scandals, have rocked Canadians out of their general feeling of smugness and complacency, and made them realize that Canada is not immune to the ever present tendencies of human nature to veer towards darkness and greed, the soul and values destroying seduction of personal political power,

the sense of impunity and entitlement of the privileged, and other general human failings that have dogged humanity.

The longest running scandal has been the uncovering of rampant corruption in some of the cities and municipalities of Canada's "La Belle Province", Quebec. For the last couple of years, through the lengthy and at times shocking hearings conducted by the Charbonneau Commission, we have had a startling glimpse into the entrenched and seemingly pervasive culture of corruption and Mafia infiltration, of general municipal business and particularly the construction industry, especially in Montreal and Laval. During the Commission hearings subpoenaed witnesses have given surprisingly frank and forthright testimony to expose the regular culture of contract rigging, bribery, kickbacks, illegal political fund-raising, threats and extortion, and willful blindness of city, municipal and provincial officials to the ongoing and the on-growing problem. It would seem that the culture of pervasive wrong doing at all levels of governance - provincial, municipal, and city - alongside the haven that criminal organizations like the Italian Mafia, and the once ubiquitous Hells Angels seem to find and thrive in, in Quebec, had made all the criminal activities appear 'business as usual' in the Province. Once the lid came off, and the worms started crawling out, it has been an endless horror

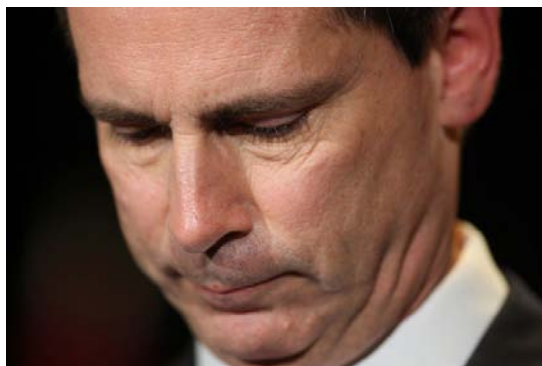
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show with no seeming end in sight. The Charbonneau Commission Hearings are still ongoing with new names being uncovered and their activities being examined. If Canada's "La Belle Province" had been a country, it would have ranked with some of Europe's most corrupt, certainly not among one of the World's 10 best, and that is quite a shock.

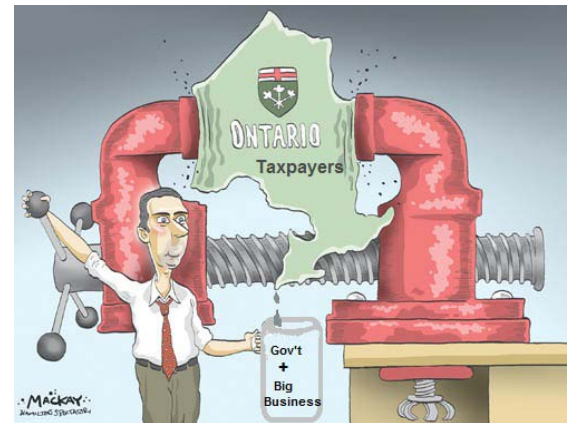
Not to be left too far behind, Canada's most industrialized Province: Ontario, has been embroiled in its own financial and political scandals.



The Ontario Provincial government under the former Premier, Dalton McGuinty, generated a huge financial and political scandal by paying off the development group of a proposed gas power plant, over one Billion dollars to **not** build it, at a time when the province was suffering greatly from the 'great recession' and the resulting mass layoffs, and general financial constraints. How a government, of one of Canada's most powerful Provinces, could enter into such punishing agreements with the business group with all the best legal resources at its disposal, is beyond comprehension. Well, when one starts to think

about it, it actually may be comprehensible, if one is to keep in mind the frequent collusion that takes place between big business and governments all over the World. A Billion dollars of tax payers money was paid to an obviously powerful business group and all the incumbent Liberal government could manage was 'sorry it won't happen again'. The Premier at the time knew what was coming and had already resigned abruptly and evaded the expected scrutiny.

The galling aspect of the nefarious association between business and government is that the same governments and business groups are usually pleading financial hardship, when it comes to the well-fare of ordinary people - while raiding the taxpayer treasury for themselves.



It is this consistent hypocrisy and the complete absence of principals in the face of personal gain, that the business and politically powerful consistently indulge in, that undermines and shatters the veneer of respectability that they then display when in public.

On a similar note, and more recently, the Mayor of Toronto, Canada's largest and arguably most important city, has been behaving in such a manner as to make the antics of college freshmen look tame in comparison. Most of us can remember just how young and foolish those times were, but then we became adults and took on responsibilities and started to behave, more or less, commensurate to the accepted requirement of our jobs and general position in life. Toronto's Mayor, Rob Ford, while all grown-up (*and my how he has grown*), has an obviously in-grown and stunted sense of what constitutes proper behavior

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for the high position of Mayor he obviously covets and now holds.

From his regular habit of firing all those in his office who disagree with him, and riding roughshod over all who oppose him, and using his equally belligerent brother to bully and cow people into submission, Rob Ford is the proverbial 'Bull in a China Shop'. He has appeared a number of times in a stumbling drunken state at public events, and after months of bold faced lies and denials, has finally admitted to smoking crack cocaine, after being recorded on a video. That video was recovered by the RCMP (*Royal Canadian Mounted Police*) after being deleted by a 'friend' of the Mayor, who is now facing charges of extortion. After cavorting and hanging out with known criminals and drug dealers, he continues to maintain that these are just indiscrete infractions in moments of "drunken stupors" (*his words*).

In his development arrested psyche, he does not seem to comprehend that there are no excuses that are valid for the behavior he regularly indulges in, in view of the position of utmost responsibility that he now holds. Once he became Mayor he is no longer a regular person with regular responsibilities. Being frequently drunk at public events is inexcusable as a Mayor of a major city, but smoking crack cocaine, which is a highly addictive illegal drug and is known to cause absolute devastation in people's lives, that too in the company of known drug dealers and criminals, is absolutely unacceptable. How does a Mayor who is expected to honourably discharge a vast number of responsibilities in running 'the City' - upholding the law and making sure that dangerous drugs and criminals are kept

off the streets being one of the most important ones - do that with any credibility, if he becomes a drug user and part of the problem. What moral authority has he left, to tell others not do it, and to uphold the law? On the most basic plane, how are the people supposed to respect and follow a drug ingesting drunken Mayor, especially if he is Mayor of the biggest city of Canada, not some small no-name town, deep in the bush.

Instead of doing the honourable and responsible thing, he did what majority of shameless politicians do in similar circumstances, hold a press conference, look contrite, fake shame and emotion, shed crocodile tears and repeatedly apologize, hoping that 'act' will dupe the public into believing he is very sincere, all the while promising to 'never do it again', but promising instead to sacrificially soldier on (*doing the public a favour*) in the discharge of his responsibilities to the tax payer. Politicians do this same act all over the World, hoping the public's notoriously short memories will make it all go away in a few months. It is a blatant and determined act of self preservation, which flies in the face of their stated missions - Public Service.

Not to be out done by the Provinces, the Federal Government of Canada has been embroiled in a political and financial scandal of its own, which involves both the Prime Minister's Office (*PMO*) and the Canadian Senate, known as the 'Senate Scandal'. When it comes to the highest levels in the country, one cannot get much higher than this.



The 'Senate Scandal' is about three (3) sitting Conservative Senators appointed by the Conservative Prime Minister, that filed 'residence expenses' that are 'claimed to be false' under the

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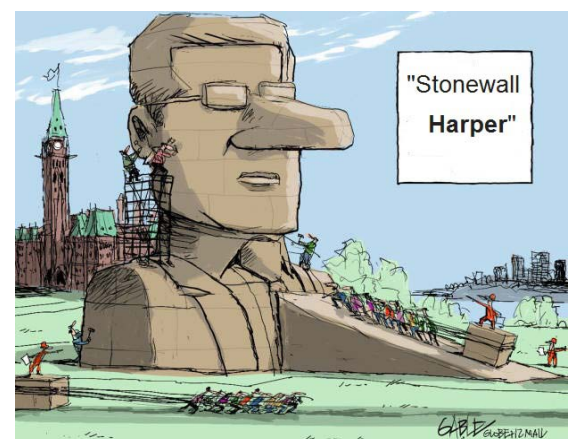
Senate rules. We say 'claimed to be false' because according to the Senators themselves, and apparently according to an audit conducted by Deloitte, the rules regarding these types of expenses are so vague as to prevent them from making a determination on whether the Senators had actually broken the rules (*the Senators steadfastly claim that they have not*). But the public outrage at the seeming blatant theft of public funds by people in high positions, for personal gain, at the expense of the beleaguered tax payer, made the Prime Minister's Office nervous enough that some sort of scheme seemed to have been hatched by the senior most officials in the PMO, to bring the scandal to a quick close. One of the bizarre actions included the decision by the Chief of Staff Nigel Wright, in the PMO, to repay one of the Senator's expenses personally with a cheque of \$90,000. The twists and turns that the scandal has taken since then, and over the past few months (*too many to recount here*), has made it to the top of most Canadian's must watch list on television.



The Prime Minister, by his studied reactions to the scandal, stoically denying that he knew anything about what was going on in his office at any time, regarding this case, is now squarely at the centre of the scandal, and the focus has shifted from the wrong-doings of the Senators, who have been expelled from the Senate for two years without pay, to the PMO and thus the Prime Minister himself.

After all the nefarious and significant activities that took place in his office that were blatantly wrong (*he is after all the Prime Minister, and it all did take place in the Prime Minister's Office*), he

has steadfastly refused to take responsibility and 'stone walled' every attempt at clarification as to what actually transpired in his office, and by whom. Instead he insists on claiming that nobody told him anything, so he did not know that his office was allegedly conspiring to pay off a Senator to mitigate the political fallout from the 'Senate Scandal' even though it was against the law. Apart from the fact that since it is his own office, and whatever happens there must be his responsibility, the fact that he is known to be a notorious 'micro-manager' and a 'control freak', for someone like him to claim that he did not know about significant events taking place in his office for months on end, truly stretches the public's credulity, and further erodes his credibility. The strategy he is employing is the standard one used by all consummate politicians, and the not so consummate ones, deny everything, pin the blame on someone else, take no responsibility, apologize if you absolutely have to, and stonewall every uncomfortable question till the people asking them get tired of asking. In Parliament, in 'Question Period', he stonewalled all questions with a single answer, so much so, that the thought came to mind that his name should change to 'Stonewall Harper', from 'Stephen Harper'.



The irony is that this Prime Minister came to power promising a clean, transparent and honest government that was going to be accountable to the people. Instead, no Canadian Prime Minister or government in recent memory has been this opaque, less than forthcoming and honest, willfully unaccountable, proroguing the

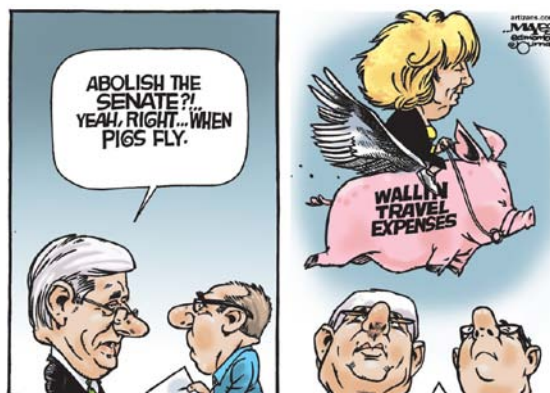
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Parliament when he doesn't want to be answerable, tightly controlling all information and muzzling his MPs and Senators into silence, and whipping them into toeing the Party line.

The Canadian Senate is an institution that was formed to provide 'sober second thought' to the Parliament's decisions on all important issues. Over the years, what it turned into was an institution stuffed with patronage appointments. The incumbent governments of the day have used it to return favours to their favoured supporters. Not all appointments were patronage, but a lot were. Once appointed the Senators draw great salaries till age 75, and hence get comfortable pensions (*as it a percentage of the salary*), and are endowed with additional and significant benefits for the rest of their lives. It is a highly desirable appointment. But the problem with all such appointments is that there is very little accountability, as these appointments are either, recognition of past accomplishments, or more or less a gift for favours done in the past. So naturally, years ago criticisms started to circulate about Senators who hadn't shown up in the Senate for years, and that some of them resided outside of Canada for most of the year, in warmer climates, and yet collected their full compensation package as if they were attending to their duties full time. When in the opposition, Stephen Harper railed against such patronage indulged by the incumbent Liberals, calling it a 'derelict institution', a colossal waste of tax payer's money, and an institution that had become bloated, wasteful and a blight on the Country. He promised to drastically reform or abolish it, if elected to power.



When elected to power, he did neither, instead during his multiple terms in office he made the largest number of patronage appointments and stuffed the Senate with handpicked Conservative candidates that would be loyal to him, and, till the Conservatives had a majority in the Senate. The three errant Senators had been handpicked and appointed by him, but when they become a serious liability due to their inappropriate expense claims, he had them expelled post haste, disregarding all due process. And, to quell the growing public angst, he is trying to position himself as a 'man of action' that is protecting the tax payer's money, by firing ill-doers immediately. The public isn't buying it. After all they do remember that he had promised to enact change in his first term, it is now his third term and during all that time he had stuffed the Senate with the kind of people he is now anxiously jettisoning.

This is Canada, so the level and frequency of corruption and scandal is low in comparison to most countries (*9th out of 174*). Yet this sudden confluence of a number of major scandals in two of Canada's largest Provinces, at the Prime Minister's Office and the Senate, has shocked all Canadians, who are used to hearing about such things in other countries, and certainly not in our generally tame political and social environment. But as we said at the start, the forces of darkness and greed are always at work, and Canada has from time to time succumbed to them.

Now that the rot is exposed, most of it hopefully will be cleaned out, and the normal and generally 'clean' Canada will again emerge so that the general public can once again sink back into their Canadian smugness and complacency, with a huge sigh of relief. All this agitation and the global attention it is garnering - is frankly too much excitement for us Canadians to handle.

Final thought - the degree to which people in positions of power and responsibility get away with misuse of their power, is the degree by which the public allows them to, by their acceptance.